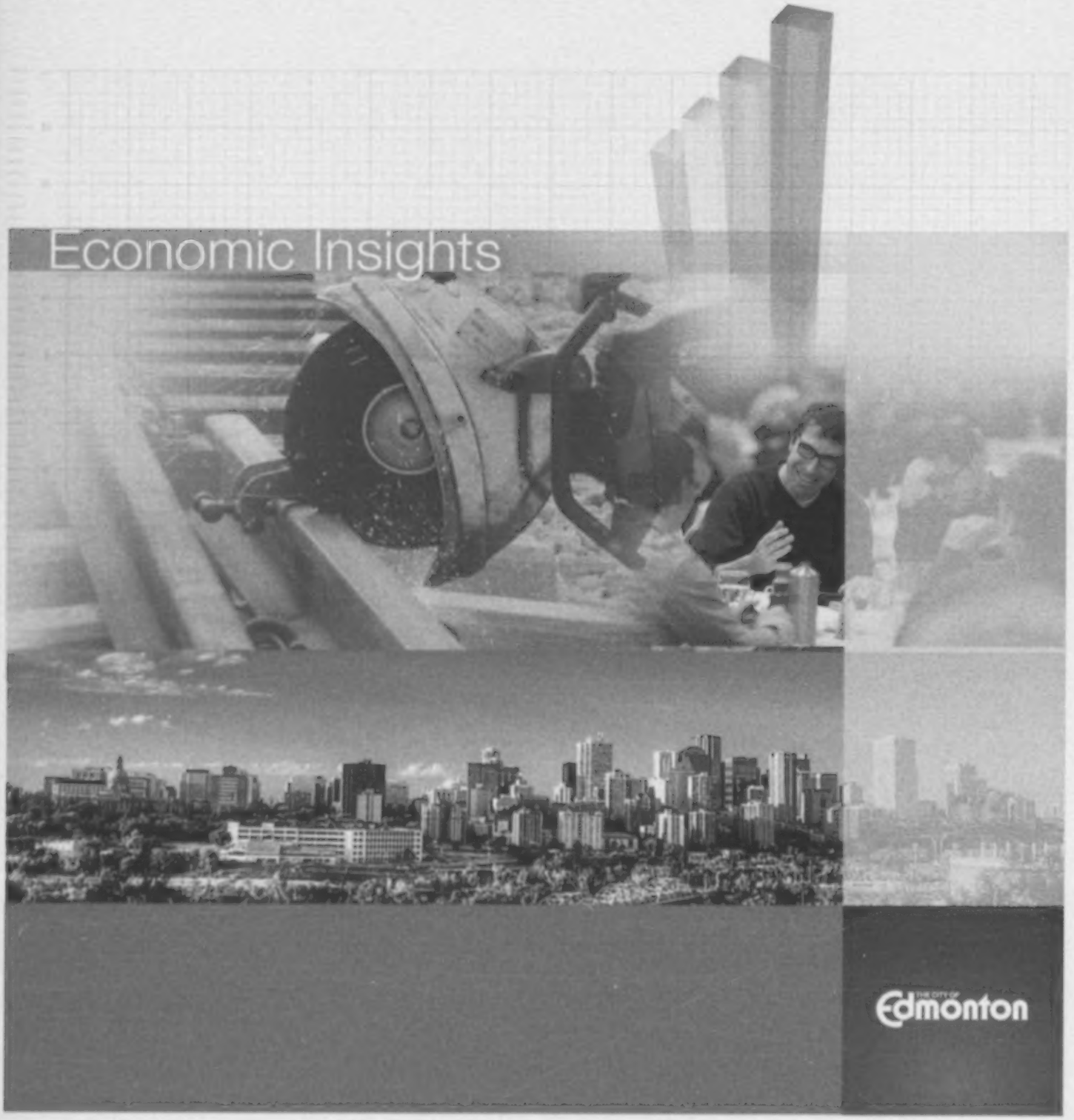
Long-Term Economic Outlook: 2014-2024

Spring 2014



The City of Edmonton

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1.0 Overview

Very strong employment and income growth seen in Edmonton over the past several years indicates that the local economy has strong internal momentum for continued growth. Robust growth in residential construction, retail sales and personal services sectors will take a more prominent role in Edmonton's expansion of the next 12 to 24 months. These strong fundamental drivers will help insulate Edmonton's economy from external shocks that may impact Canada and Alberta. As a result, economic growth in Edmonton will continue to easily outpace Canadian growth over the next several years.

Over the next five years economic growth in Edmonton is expected to average 3.6% annually; in the Edmonton Census Metropolitan Area (CMA), 3.9% annually.

The combination of relatively low interest rates and modest inflation over the next 12 to 24 months will sustain a very favourable environment for the City of Edmonton to undertake major capital investments. Low interest rates will help contain financing costs while modest inflation will make estimates of final costs for multi-year projects much more reliable.

Although the current prospects are good for Edmonton, there are still negative and positive risks that could impact the region's economic outlook. On the down side, these prospects include the following:

- Potential constraints on future increases in oil production arising from a failure to expand pipeline capacity could bring down the growth profile for both Edmonton and Alberta.
- The slow recovery in the US has limited Canada's and Alberta's ability to expand exports over the past several years. If the pace of the US recovery does not improve, growth in Canada and Alberta could slow down as exports will continue to lag.
- Continued problems in Europe, particularly in light of recent developments in Ukraine, and a moderation of growth in developing economies could result in lower commodity prices globally and, therefore, negatively impact investment in Canada's oil sands.
- Domestically, rising household debt and the potential for a major correction in real estate prices in other regions of Canada could lower consumer confidence and spending in Edmonton and cause the city's overall growth rate to shift down.

On the positive side, the following trends may lead to a more positive outcome than what is currently predicted:

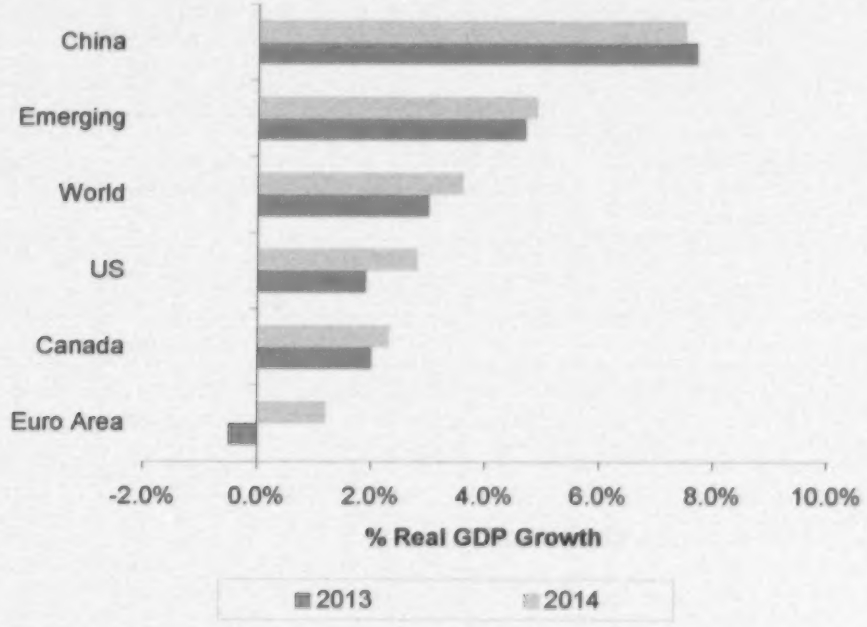
- The US economy is beginning to show signs of faster growth, which may lead to even better results than currently anticipated. This growth would boost both commodity prices and Canadian exports and lead to strong growth in Alberta and Edmonton.
- While growth in Europe remains very weak, the Eurozone[1] countries, as a group, are expected to see positive growth in 2014 for the first time in several years. Assuming political developments in Eastern Europe are contained, growth in the Eurozone could surprise on the high side leading to improved commodity prices.
- Key emerging markets such as China and Brazil are expected to grow at respectable rates over the forecast period. As with the Eurozone, there is some potential for emerging markets to grow at a faster pace leading to more buoyant commodity prices and export volumes for Alberta.

[1] The Eurozone currently has 18 members that share the Euro as a common currency. The UK, Switzerland and the Scandinavian counties are the major European countries who do not participate in the Eurozone. Additional background is available here.

2.0 International and Canadian Context

Broadly speaking, 2013 was a disappointing year for the global economy. Solid growth prospects foreseen for last year had to be scaled back as most economies including Canada saw growth rates sliding down toward the middle of 2013. Nonetheless, by the final quarter of the year the US, European and emerging economies were showing improved performances. Based on the recent increase in momentum, a stronger economic performance is in the cards for the global economy in 2014. Figure 1, below, illustrates the growth rates in 2013 and 2014.

Figure 1: Comparison of GDP Growth Rates



2.1 Europe

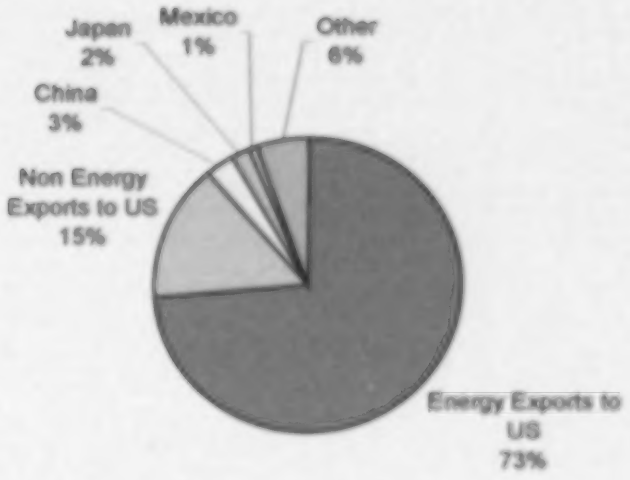
After almost two years of recession, growth is resuming in the Eurozone economies. While policy actions of member states have eased some of the tensions in the area, a return to recessionary conditions remains a significant risk with negative impacts on the US, Alberta and Edmonton economies.

The Eurozone countries have been mired in recessionary conditions since 2009. While some core European economies such as Germany have performed well since the end of the financial and had helped to speed up the region's recovery, growth is still restrained in most of the Europe's emerging economies. The contraction in economic activity triggered by the financial crisis was compounded by very restrictive austerity measures which cut government spending and introduced higher taxes in many of the weakest Eurozone economies. These contractionary policies acted to constrict consumer spending and business investment and limit economic growth.

While conditions seemed to have finally stabilized in many of the most affected countries by the end of 2013, the financial system in the Eurozone area remains very fragile. Austerity measures are set to remain in place for many years limiting future economic prospects. In addition, any significant shock such as the current tensions in the Ukraine could easily derail the tentative recovery in the Eurozone. With still high unemployment rate and depressed labour markets, the prospects for the Eurozone are for a subdued pace of economic growth over the next couple years.

While Canada and Alberta have limited direct trade linkages to Europe (see Figure 2), approximately 20% of the US exports go to Europe. In addition, US financial institutions have very significant exposure to their European counter parts. Therefore, a return to recessionary conditions in Europe could have negative implications for the US and, in turn, diminish Alberta's prospects for export growth in its primary international market.

Figure 2: Alberta's Export by Destination – 2013



2.2 United States of America

While the US employment situation has still not fully recovered, current indicators point to better job growth in the next several years. Looking at the current performances of other economic indicators, the US economy should pick up speed and expand at a real rate of about 3% in 2014. This bodes well for Alberta's export growth and Edmonton's economic prospects.

Following relatively strong growth of 2.8% in 2012, US economic growth cooled down to 1.9% in 2013. Growth was dragged down by tax increases and federal government cutbacks seen at the beginning of the 2013.

However, the recent Congressional agreement on spending cuts and debt issues at the federal level has greatly reduced uncertainty over the future course of US federal spending by removing the threat of the so-called "Fiscal Cliff" and future government shut downs such as that experienced in October 2013. This development, in turn, has boosted the US growth prospects for 2014 and beyond.

An additional positive development in the USA has been the success of US households in drawing down debt and rebuilding equity in their homes. This has helped to spur a strong recovery in the US housing market boosting home sales, prices and new home construction. Rising home prices result in a higher net worth for home owners. This combined with improved consumer confidence will help support higher levels of consumer spending over the next 12 to 24 months.

Despite the modest employment growth registered over the last couple years, the annual level of employment in the USA for 2013 was still below the levels reached in 2007 and 2008. Job cuts by municipal, state and federal governments have been the principle cause of this mediocre performance by the US labour market. However, 2013 also saw public sector employment beginning to improve at the state and local level. The ongoing recovery in the housing market is also expected to create new positions in the construction sector. Hence, employment growth in the USA is expected to gain more momentum in 2014.

2.3 Emerging and Developing Economies

While Canada and Alberta have limited trade and financial links with emerging and developing economies, improved growth in these economies going forward will help support global commodity prices and enhance Alberta's opportunities to diversify its exports away from the USA.[3]

Emerging economies started to see improved momentum in the later half of 2013 following slow growth rates seen in 2012. Higher exports to advanced economies were important in providing a boost to economic expansion among developing economies. On the other hand, domestic demand in several of the key emerging countries has remained weaker than expected as governments raised interest rates to address inflation and currency instability. These offsetting factors—strong export volume versus weak domestic demand—are expected to remain in effect throughout the next year as economic growth in emerging economies is expected to be around 5% in 2014.

For China, firmer domestic demand allowed for growth to pick up to 7.7% in 2013. India also saw improved growth as better conditions in the agricultural sector and stronger exports took the economy forward. In contrast, Brazil saw economic activity weaken in the last half of 2013 as investment growth turned negative and business confidence softened.

[3] For additional background on developments in the global economy see the International Monetary Fund's World Economic Outlook Update, January 2014.

2.4 Canada

A weaker Canadian dollar and improving conditions in the USA will help to boost economic growth in Canada to 2.3% in 2014. With inflation and interest rates expected to remain at relatively low levels, 2014 will offer the City of Edmonton a good environment for undertaking major capital expenditures.

Despite the negative impacts of the flooding in southern Alberta in the second quarter and very inclement weather seen in the latter part of December, the domestic side of the Canadian economy performed reasonably well throughout 2013. Consumer spending and residential construction continued to provide support for economic growth in 2013.

While consumer spending has been robust in 2013, Canadian consumers have taken on historically high levels of debt over the past several years, which could limit future spending. Housing markets in several regions including Toronto and Vancouver could experience a correction of fairly substantial proportions over the next 12 to 24 months. Consequently, the consumer and residential construction segments of the Canadian economy can no longer be relied on to support further growth.[3]

During 2013, business investment and exports were weaker than expected. Exports are vital to the performance of a small, open economy such as Canada. The main reason for this weak export performance has been Canada's and Alberta's overwhelming dependence on the USA as a market for the goods and services they offer to the world (see Figure 2). With the Canadian dollar at or above par with its US counterpart until mid-2013 and the sluggish US economic recovery, a robust expansion of exports has been very difficult to achieve for Canada.

As the Canadian dollar is expected to remain in the US $0.90 trading range and the US economy is beginning to grow at a faster pace, Canada's export performance is expected to improve during 2014. Improved exports will also encourage higher levels of business investment adding further strength to continued economic growth for Canada in 2014.

Inflation in Canada remains well below the target rate of 2% due to the excess supply in the economy and slack labour markets in most of Canada. The consensus is for the total national inflation to be at the lower end of the control target range in 2014. Hence, it is very unlikely the

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[3] For additional background on the Canadian outlook, see the Bank of Canada's Monetary Policy Report, January 2014.

Bank of Canada will raise interest rates during 2014 and early 2015. Even then, rates will increase in small increments paced out over a relatively long period of time.

With the US Federal Reserve Bank now committed to gradually withdrawing from its asset purchasing program, there will be some upward pressure on the US long-term rates over the course of 2014. This may spill over onto long-term Canadian lending rates, but the impacts will be limited.

3.0 The Energy Sector

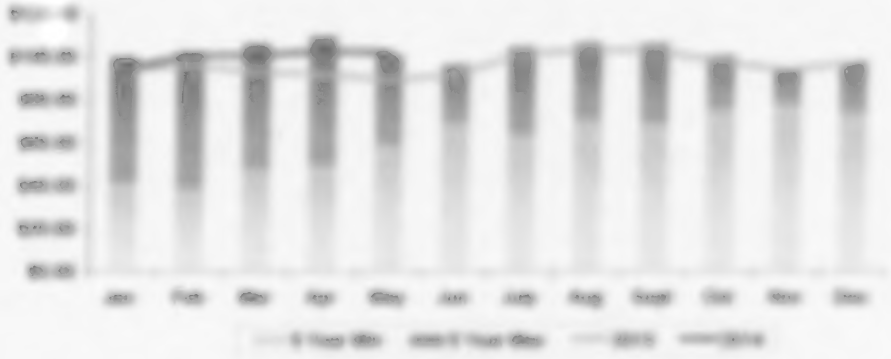
Given the central role energy investment plays in Edmonton's economic prospects as well as the fiscal situation of Alberta, it is important to highlight recent developments in this sector.

3.1 Oil Prices

US oil prices have been stable over the course of 2013 whereas Canadian prices have continued to be highly variable during the same period. While continued energy investment is expected to be one of the main drivers of the provincial economic growth, constraints on the Alberta's oil export capacity could limit investment and growth in Alberta, particularly beyond 2016.

North American oil prices as measured by the West Texas Intermediate (WTI) price hovered near the five-year maximum level for most of the 2013 (see Figure 3). While at the high end, the US oil prices were very stable throughout the year. This stability in prices reflects the addition of US pipeline capacity over 2013 which has allowed for increasing volumes of oil to move out of the US mid-west to the refinery complexes along the US Gulf Coast.

Figure 3: West Texas Intermediate Price

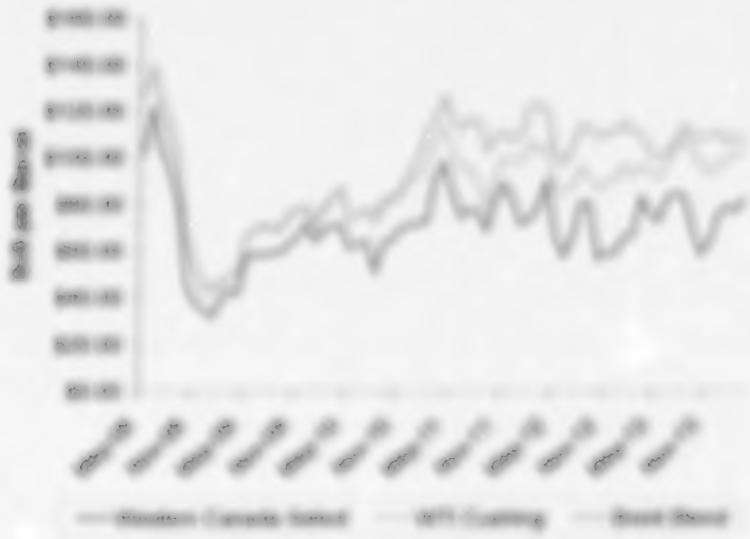


In addition, the gap between global prices reflected in Brent Blend price and the US WTI price narrowed over 2013. The return of Libyan and Iraqi oil to the global market and prospect of reduced oil export sanctions against Iran held global energy prices in a relatively narrow range as US prices moved up.

However, 2013 painted a different picture for the Canadian benchmark West Canadian Select (WCS) price, which is what Alberta producers receive for their product. The WCS price has

been highly volatile over the past several years and this volatility continued through 2013 (see Figure 4).

Figure 4: Gaps in North American and World Oil Prices



The constraints on Canada's pipeline export capacity have become tighter in 2013. As a result, if there were any unexpected shutdowns or refinery outages, oil tended to pool in the Alberta market and cause the price to drop precipitously as it then recover when issues were resolved. This volatility creates a negative risk for continued investment in Alberta's oil sands and economic growth.

While the average Canadian price over the last couple years has been at a level that is sufficient to support further investment in the Alberta's oil sands, the sharp price movements create a highly uncertain environment for businesses. The unstable pricing environment also makes it very hard for the Alberta government to forecast revenues and plan for operating and major new capital expenditures.

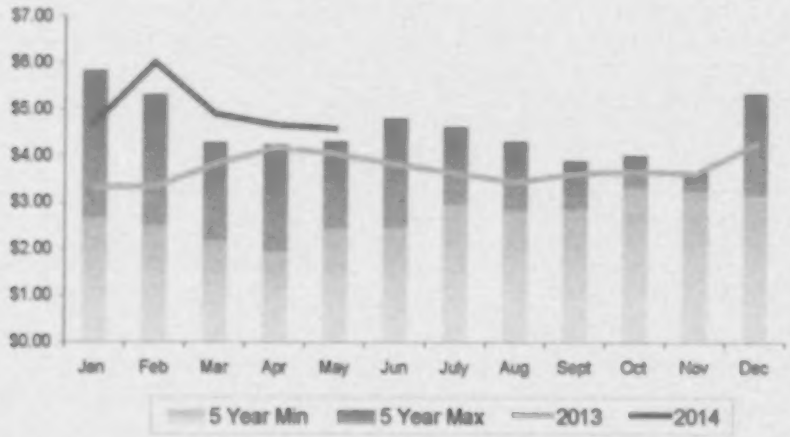
Significant new export capacity either in the form of pipelines or additional rail loading facilities will be required to address this problem. If these export capacity problems are not addressed in a timely manner, future energy investment in Alberta could be delayed or cancelled and negatively impact growth in the province and consequently in Edmonton.

3.2 Natural Gas

As the recent increase in natural gas prices is expected to be short lived, the activity in this sector may decline due to lower prices and this can potentially have a negative impact on the province's royalty revenues. Nonetheless, low natural gas prices have had some beneficial impacts by helping to contain local inflation, boost the profitability of oil sands operations and stimulate interest in various major gas-based processing projects.

In stark contrast to US oil prices, natural gas prices remain relatively low. The surplus volumes of gas, which have resulted from the rapid expansion of tight gas production, have held prices at levels well below five-year maximum during 2013 (see Figure 5). Natural gas prices spiked up in late 2013 and early 2014 as a result of very cold weather in both Canada and the USA. However, this recent pickup is unlikely to persist once the 2013/2014 heating season draws to a close.

Figure 5: Henry Hub Natural Gas Price



Low natural gas prices have tended to hold back exploration and development of additional natural gas resources. On the other hand, there are some benefits to the Edmonton economy from lower natural gas prices, such as:

- Low heating costs for homeowners and businesses, helping to contain inflationary pressures over the past several years.
- Providing support to the profitability and ongoing investment in the oil sands, which is a major consumer of natural gas.

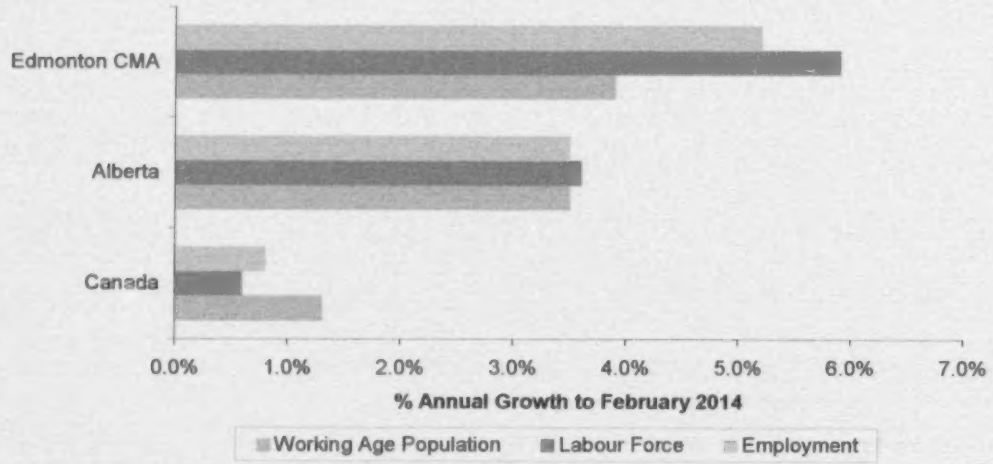
- Stimulating a number of proposals for liquefied natural gas (LNG) development and facilities to convert natural gas to liquid fuel. Of particular note is the Sasoil proposal to develop a plant in Red Water to convert natural gas to diesel fuel, which could have a dramatic positive impact on the Edmonton economy should it proceed.

4.0 Alberta, Edmonton CMA and Edmonton

The Alberta economy gained considerable momentum in 2013. The province has sustained an outstanding performance in job growth and the bulk of all net new jobs in Canada between February 2013 and February 2014.

The Edmonton Census Metropolitan Area (CMA)[4] was a major contributor to this excellent outcome (see Figure 6). The Edmonton CMA outperformed Alberta in growth of working-age population, labour force and employment. In addition, both Alberta and the Edmonton CMA handily surpassed Canada in all these measures.

Figure 6: Annual Growth in Working-Age Population, Labour Force and Employment

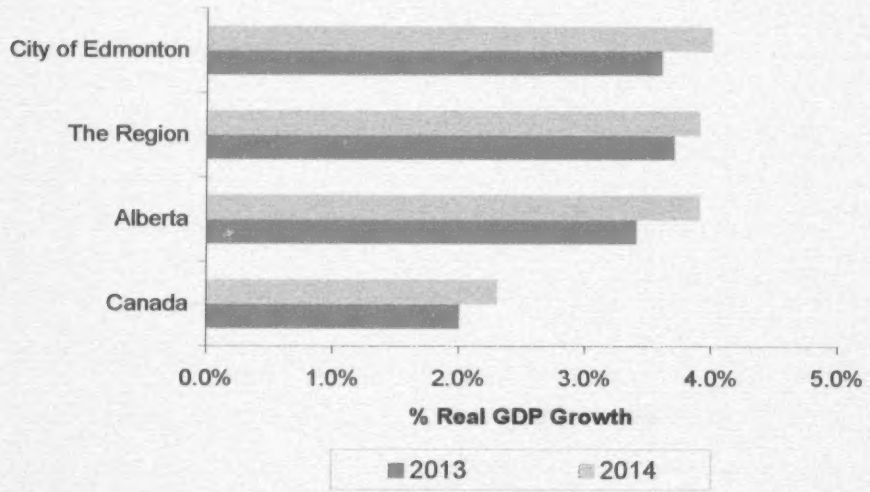


[4] The Edmonton CMA includes the city of Edmonton and surrounding counties. A formal definition is available here.

4.1 Alberta

In terms of economic growth, Alberta and Edmonton are expected to continue to outperform Canada in 2014 as well. Figure 7 provides a comparison of estimates for real economic growth Edmonton, the Edmonton CMA, Alberta and Canada.

Figure 7: Real GDP Growth Comparison



In Alberta, the main driver of the economic growth in 2014 will continue to be strong energy-related investment, particularly oil sands investment. Construction activity associated with reconstruction efforts from the 2013 floods combined with a robust housing market will also support the growth. These factors combined with high incomes, low unemployment rate (4.6% in 2013) and strong population growth point to a solid year for the consumer side of the province's economy.

Other major sectors of the Alberta economy are also expected to do well. Strong growth in the US, particularly in the US housing market, has helped to boost Alberta's manufacturing and forestry sectors. Agriculture, while always vulnerable to weather conditions reached near record levels and is well positioned in light of recent free-trade agreements with Europe and South Korea for medium-term growth.

Following very low rates seen in 2013, inflation in Alberta has begun to rise and reached an annual rate of 2.7% in January 2014. Sharp increases in shelter costs along with a rebound in electricity, gasoline and natural gas prices were the principal factors behind the higher inflation

figures. Alberta's inflation rate will average 3% through 2014—a rate that is higher than the national average.

Based on the assumption that North American oil prices remain in the $100 range and the Canada/US price differential does not widen due pipeline-to-capacity issues, provincial revenues should provide modest room for higher public sector spending in Alberta. However, over the medium term, the provincial budget does rely on a higher rate of growth in oil sands production than seen in the recent past. Consequently, if a higher rate of oil sands production does not materialize, future rounds of austerity at the provincial level are a possibility over the medium term and can negatively impact the economic growth prospects.

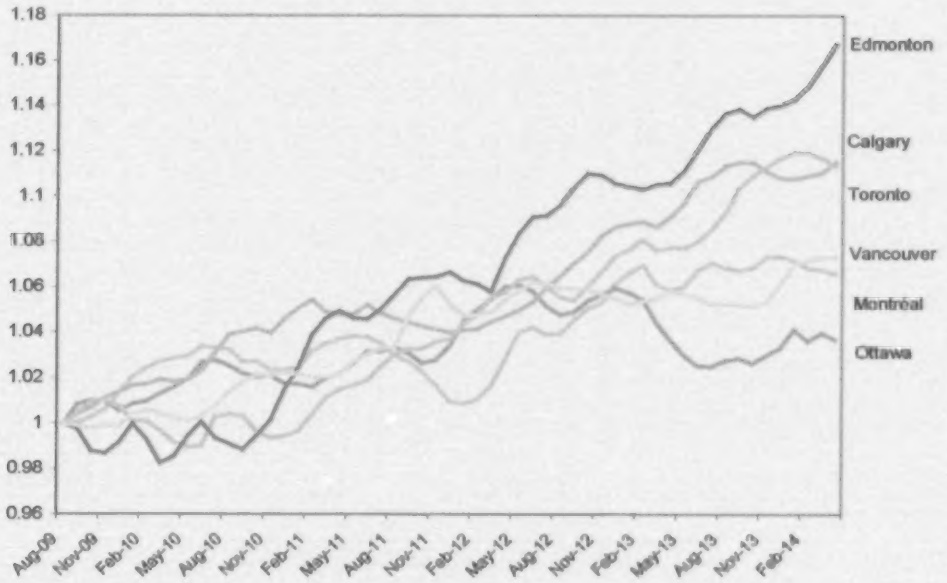
4.2 The City of Edmonton and the Capital Region

With an excellent recovery in employment since 2009, strong income gains and a rapidly expand population both the City of Edmonton and the Capital Region have the momentum to sustain growth through 2014.

Both the City of Edmonton and the Edmonton Census Metropolitan Area (CMA) have seen an excellent rebound from the recession of 2008–2009 and continued to experience very solid economic growth in 2013 despite the more disappointing performances of the Canadian and global economies. With very robust gains in employment, income and population, the city ended 2013 with plenty of momentum to support continued economic growth going into 2014.

Edmonton's relative strength is also evident in comparisons with Canada's other leading metropolitan areas. After lagging through most of 2010, employment growth in the Edmonton region has been much stronger than any other metropolitan area. As a result the region has seen the best recovery in employment among the largest metropolitan areas in Canada since the bottom of the recent recession in August 2009 (see Figure 8).

Figure 8: Index of Employment (August 2009 = 1)

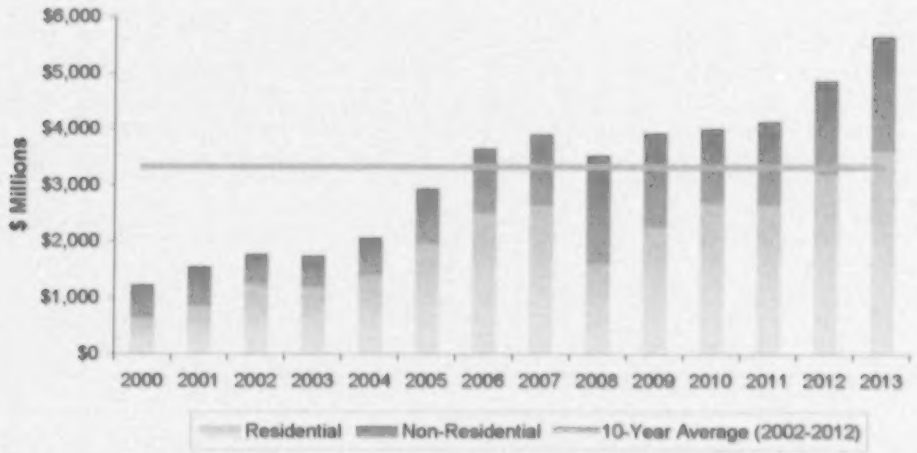


Overall in 2013, Edmonton's economic performance was comparable to that of the province. Employment in the Edmonton region expanded by 3.4% in 2013 (see Figure 6). This was almost three times the national average (1.3%). As well, the working-age population and labour force both grew at a remarkable pace as the Edmonton region continued to attract very large numbers of new migrants seeking employment. The rapid growth in job seekers, however, resulted in the region's unemployment rate moving up slightly from 4.6% in 2012 to 4.8% in 2013. At the same time, this additional slack in the labour market helped to address labour shortages in many sectors such as construction, manufacturing and professional services.

On the goods-producing side of the region's economy, the residential construction sector had a very strong year in 2013 as evidenced by the advances seen in both housing starts and building permits.

The value of building permits issued in the Edmonton region stood at $5.5 billion in 2013 – a record high over the last decade and up by 15% from the level recorded in 2012 (see Figure 9). Strong construction intentions in both the residential and non-residential sectors drove the total value of building permits up in 2013. In Alberta, the annual growth in the value of building permits in 2013 was similar to that in the Edmonton region, while at the national level, the value of building permits was essentially unchanged from a year ago.

Figure 9: Value of Building Permits – Edmonton



Edmonton's housing starts were also at their highest level in over a decade in 2013. Construction started on more than 10,600 new housing units in the city—an increase of 12% from 2012. The entire region reported just under 14,700 new housing starts in 2013, representing an increase of 14% year over year. The growth in the city's housing starts was primarily driven by the single-family sector while the main driver for the wider metropolitan region was the multi-family sector.

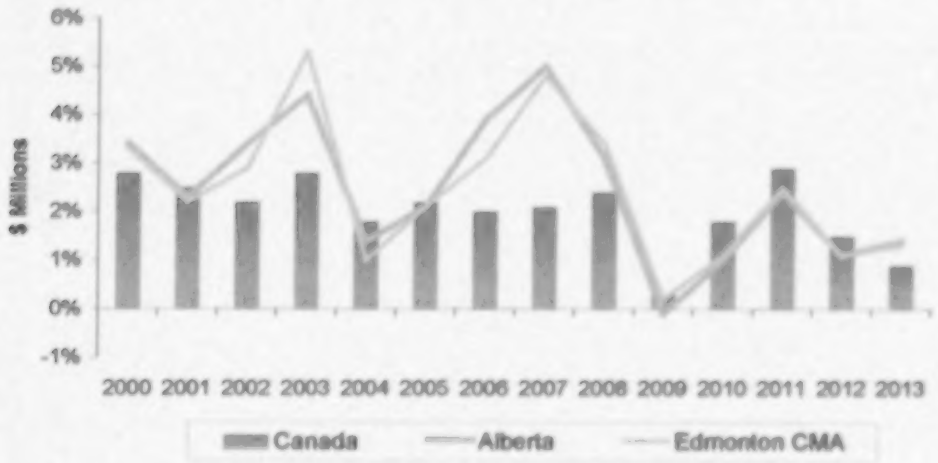
In spite of strong growth in Edmonton and the region, inflation remained very low by historical standards. Inflation as measured by the Consumer Price Index (CPI) came in at 1.3% for the Edmonton region in 2013 while the comparable figure was 1.4 % for Alberta and 0.9% for Canada.

Inflation was held in check during 2013 as a result of weak energy prices and lower costs for food and other selected items. However, as strong in-migration to the region continues to drive down the rental vacancy rates, rents will start to move up more quickly and put an upward pressure on the consumer inflation. Consequently, consumer-based inflation in the Edmonton CMA is expected to move up to an annual rate of about 2.5% in the first half of 2014 before trending back down over the rest of the year.

The CPI reflects the prices consumers pay on an average basket of goods and services, but it does not reflect all of the inflationary pressures experienced by organizations such as the City of Edmonton. Prices used to determine the CPI represent average consumer purchases such as groceries, clothes, retail goods, rent and mortgage. Thus, the CPI does not reflect the type

of expenditures required to deliver municipal goods and services, such as construction materials, transportation equipment and professional services.

Figure 10: Annual Change in the Consumer Price Index



In summary, Edmonton's economic performance during 2013 was very strong both when compared to the rest of Canada and by its own historical standards. Gains seen in full-time employment and higher incomes have supported retail activity while a rapidly growing population helped drive residential construction activity to record high levels. Barring a very strong negative external shock, Edmonton is very well positioned for continued economic strength in 2014.

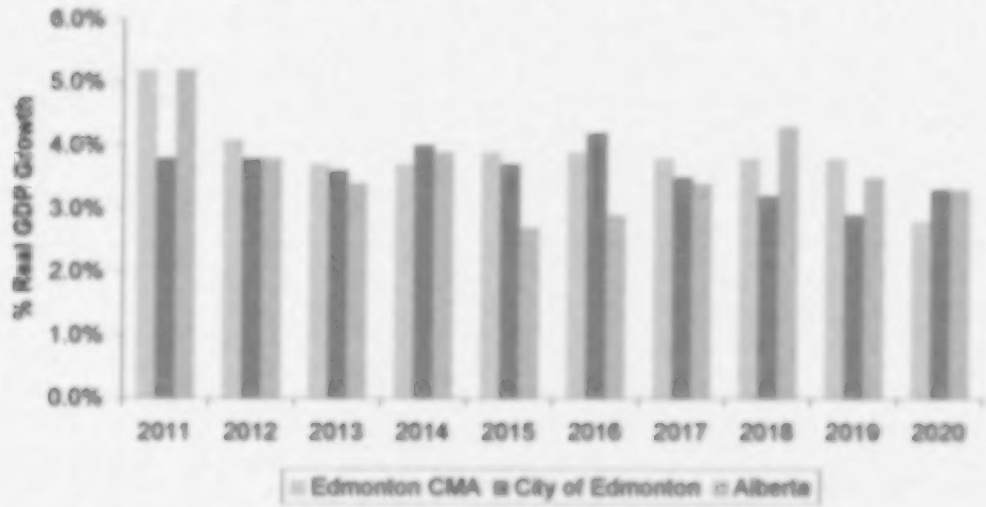
5.0 Longer-Term Outlook

Edmonton and the region will continue to see very solid growth over the next couple years. Residential construction, retail sales and personal services industries will take a more prominent role in Edmonton's expansion over the next 12 to 24 months.

With improving but still modest growth in the global economy, Edmonton will continue to stand out. The city's and region's growth rates are expected to be in the 3.5% to 4.5% range over the next several years (see Figure 11). This compares very favourably to the Canadian economic growth rate forecasts which are in the range of 2% to 2.5%.

Edmonton's growth rate will gradually slow toward the end of the 10-year forecast period as an aging population reduces the expansion of available labour in both the city and the Edmonton region. Tables in Appendix 1 provide forecasts of the key economic indicators for the city of Edmonton and the Edmonton Metropolitan Area.

Figure 11: Annual Real GDP Growth



6.0 Appendix 1 – Key Indicators for the City of Edmonton

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real GDP $2007 Millions	49,822	51,834	53,754	56,001	57,957	59,805	61,561	63,600	65,653	67,855	70,024	72,254
% Change	3.6	4	3.7	4.2	3.5	3.2	2.9	3.3	3.2	3.3	3.2	3.2
Consumer Expenditures	15,793	16,461	17,255	17,982	18,645	19,315	20,001	20,703	21,422	22,158	22,913	23,685
% Change	3.5	4.2	4.8	4.3	3.6	3.6	3.6	3.5	3.5	3.4	3.4	3.4
Residential Investment	3,598	3,468	3,745	3,805	3,933	4,050	4,057	4,240	4,468	4,706	4,716	4,776
% Change	7.2	-3	7.4	1.6	3.4	3	0.2	4.5	5.8	6.2	-1	1.3
Plant & Equipment Investment	9,139	9,213	9,179	9,469	9,808	10,029	10,299	10,652	10,922	11,208	11,409	11,577
% Change	-4.8	0.8	-0.4	3.4	3.4	2.3	2.7	3.4	2.5	2.6	1.8	1.5
Government Current Expenditures	10,472	10,759	11,075	11,410	11,778	12,159	12,566	12,967	13,391	13,827	14,272	14,725
% Change	2.7	2.7	2.9	3.1	3.2	3.2	3.3	3.3	3.3	3.3	3.2	3.2
Government Capital Expenditures	460	475	490	505	521	536	553	569	586	603	620	639
% Change	3.2	3.2	3.1	3.1	3.1	3	3	3	2.9	2.9	2.9	2.8
Net Exports & Residual	10,361	11,439	12,009	12,794	13,272	13,715	14,098	14,470	14,855	15,293	15,694	16,051
Building Permits $Millions	3,530	3,672	3,808	3,968	4,108	4,237	4,362	4,508	4,652	4,807	4,961	5,119
% Change	3.6	4	3.7	4.2	3.5	3.2	2.9	3.3	3.2	3.3	3.2	3.2
Single Housing Starts	3,650	3,723	3,792	3,856	3,923	3,992	4,068	4,135	4,202	4,275	4,348	4,420
% Change	3.8	2	1.9	1.7	1.7	1.8	1.9	1.7	1.6	1.7	1.7	1.7
Multiple Housing Starts	6,148	6,267	6,384	6,495	6,604	6,720	6,845	6,981	7,075	7,198	7,320	7,441
% Change	3	2	1.9	1.7	1.7	1.8	1.9	1.7	1.6	1.7	1.7	1.7
Housing Starts	9,798	9,990	10,176	10,353	10,527	10,712	10,911	11,096	11,277	11,473	11,667	11,861
% Change	3.3	2	1.9	1.7	1.7	1.8	1.9	1.7	1.6	1.7	1.7	1.7

Key Indicators for the City of Edmonton (continued)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employment (000s)	477	488	498	512	524	536	547	559	572	586	600	615
% Change	2.3	2.2	2.1	2.8	2.2	2.4	2	2.1	2.4	2.4	2.3	2.5
GDP/Employee ($2007 000s)	104.4	105.2	107.8	109.3	110.6	111.5	112.5	113.6	114.7	115.7	116.7	117.5
% Change	1.4	1.0	1.6	1.3	1.2	0.8	0.9	1.2	0.6	0.9	0.8	0.7
Participation Rate %	74.4	75.5	76.2	76.6	77.2	77.7	78.1	78.5	78.6	78.3	78.7	80.2
Unemployment Rate %	4.4	4	4.2	3.9	3.8	3.7	3.9	4	3.8	3.7	3.7	3.7
Population (000s)	835	853	871	890	908	926	944	963	981	1,000	1,019	1,037
% Change	2.2	2.2	2.1	2.1	2.1	2	2	1.9	1.9	1.9	1.9	1.8
Households (000s)	353	360	367	373	379	386	393	400	406	413	420	427
% Change	0.9	2	1.9	1.7	1.7	1.8	1.8	1.7	1.6	1.7	1.7	1.7
Annual Wage (000s)	55.9	57.3	59.2	61.6	63.9	66.3	68.6	70.9	73	75	77.2	79.4
% Change	0	2.4	3.5	4	3.8	3.8	3.5	3.3	3	2.8	2.8	2.9
Consumer Price Index (2002=100)	129.43	131.94	133.98	135.02	136.1	140.40	143.05	145.85	148.62	151.62	154.64	157.39
% Change	1.6	1.9	1.5	1.6	1.5	1.7	1.9	2	2	2	1.8	1.8
Real Disposable Income ($M)	39,287	39,943	44,793	45,492	45,971	47,263	45,752	47,049	49,279	51,697	52,548	54,954
% Change	1.4	1.7	12.1	3.8	1	0.6	-3.2	2.8	4.7	5.3	1.6	4.5

7.0 Appendix 2 – Key Indicators for the Edmonton CMA

	[2013]	[2014]	[2015]	[2016]	[2017]	[2018]	[2019]	[2020]	[2021]	[2030]	[2025]	[2034]
Real GDP ($2007 Millions)	71,775	74,397	77,333	80,377	83,486	86,674	89,986	93,503	96,349	97,930	100,916	103,282
% Change	3.7	3.7	3.9	3.9	3.9	3.9	3.8	3.9	3.1	2.7	2.7	2.7
Consumer Expenditures	31,040	32,510	33,697	34,295	35,675	36,470	40,449	41,932	43,060	45,058	46,513	48,016
% Change	4.3	4.7	3.6	4.0	4.0	4.3	5.1	3.7	3.8	3.5	3.1	3.2
Residential Investment	5,715	5,897	5,883	5,921	6,034	6,115	6,192	6,276	6,412	6,552	6,645	6,834
% Change	12.4	3.2	-0.6	1	1.9	1.3	1.3	1.4	2.2	2.2	1.4	2.2
Plant & Equipment Investment	13,102	13,559	14,309	14,859	14,612	12,293	11,850	12,153	12,350	12,533	12,851	13,249
% Change	2.8	2.8	5.5	3.9	-2.4	-15.3	-2.7	1.6	1.9	2.4	2.1	2.3
Government Current Expenditures	14,110	14,670	15,185	15,648	16,191	16,699	17,224	17,705	18,332	18,912	19,489	20,050
% Change	2.2	4	3.5	3.2	3.2	3.1	3.2	3.1	3.3	3.2	3.1	2.9
Government Capital Expenditures	2,441	2,558	2,638	2,851	2,716	2,773	2,829	2,891	2,954	3,010	3,072	3,114
% Change	3	4.7	3	3.1	3.2	3	3	2.2	2.2	2.2	1.9	1.4
Housing Starts (000s	13.1	13.3	13.5	13.7	13.9	14.2	14.4	14.6	14.9	15.2	15.5	15.8
% Change	1.8	1.7	1.6	1.6	1.6	1.6	1.6	1.6	2	2	1.9	1.8

Key Indicators for the Edmonton CMA (continued)

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment (000s)	717	742	763	787	812	837	876	908	928	955	978	1,008
% Change	3.4	3.4	2.8	3.6	3.2	3.1	4.7	2.7	3.2	2.8	2.4	2.9
GDP/Employment ($2007 000s)	100.1	100.3	101.8	102.1	102.7	103.5	103.8	100.7	100.8	102.5	102.9	103.6
% Change	0.3	0.2	1.5	0.3	0.6	0.7	-0.8	0.1	-0.1	-0.1	0.3	-0.2
Participation Rate %	73.6	74	73.9	73.7	73.3	73.1	73.4	73.5	73.6	73.6	73.6	73.63
Unemployment Rate %	4.5	4.1	4.5	4.6	5	4.7	4.1	4.5	4.5	4.6	4.6	4.6
Consumer Price Index	129.11	130.98	132.41	133.85	135.15	135.63	138.06	140.62	142.75	144.9	147.07	149.03
% Change	1.34	1.38	1.18	1.09	0.97	1.1	1.82	1.85	1.52	1.5	1.5	1.3
Population (000s)	1,219	1,243	1,269	1,295	1,323	1,349	1,375	1,401	1,429	1,458	1,492	1,526
% Change	2.5	2.2	2.1	2.1	2.1	2	1.9	1.9	1.9	1.9	1.9	1.9
Net in-Migration (000s)	19	19.4	17.7	19	19.6	19	19.5	19.8	19.9	20.1	19.1	19.6
Households (000s)	455	467	836	621	555	544	598	567	578	591	602	614
% Change	2.6	2.5	2.5	2.4	2.3	2.1	2.1	2.1	2.1	2	1.9	1.9
Household Formation	12.4	12	11.8	12	11.8	11.4	11.5	11.5	11.6	11.6	11.4	11.4
Annual Wage (000s)	65.2	65.7	67.7	68.8	70	71.2	72.4	73.8	74.8	75.9	76.9	78.2
% Change	1.7	2.5	1.4	1.8	1.8	1.7	1.7	1.8	1.8	1.5	1.4	1.4
Real Disposable Income ($M)	45,394	45,606	46,360	52,706	55,178	57,997	60,578	62,821	65,329	67,634	69,775	72,065
% Change	4.3	4.6	3.6	4.8	4.5	4.3	3.2	3.7	4	3.5	3.2	3.6